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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/474,492	12/29/1999	THOMAS J. FOTH	E-974	2311
919	7590	05/05/2004	EXAMINER	
PITNEY BOWES INC. 35 WATERVIEW DRIVE P.O. BOX 3000 MSC 26-22 SHELTON, CT 06484-8000			WASYLCHAK, STEVEN R	
			ART UNIT	PAPER NUMBER
			3624	
DATE MAILED: 05/05/2004				

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/474,492

Applicant(s)

FOTH ET AL

Examiner

Steven R. Wasylchak

Art Unit

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 2/12/04.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-24 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-24 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

1. Examiner has carefully examined Applicant's arguments and respectfully finds them unpersuasive.
2. The official notice taken for the refund analysis is presented in the new Notice of References Cited. Examiner assumes Applicant has an accounting background such that he can note the use of a contra account for a refund and threshold by analogizing to the using of the aging of Accounts Receivable by per cent, where per cent is the threshold benchmark; likewise refunds as a receivable (or payable) can also be subject to aging with a threshold benchmark.
3. The prior office action is presented below for Applicant's convenience.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1, 3-6, 9-13, 15-18, 21-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Barber (US 6,349,288).

As per claim 1,

A method for facilitating electronic refunds in an online commercial transaction,
the method comprising the steps of:

Art Unit: 3624

A) establishing communication over a network between a payment computer and a buyer computer, the payment computer having a vault with buyer funds therein and a refund account for a buyer: / col 1, L 25-34, L 65-68, and claim 1 are the network; col 2, L 1-8, fig 1(11, where B=broker) and claim 1(L 27-35) are the price tag server acting as the payment computer where the payment computer is part of broker system (col 1, L65-67) which has a vault equivalent (col 6, L 33-35: consumer has an account with the broker which "holds resources" and thus acts as a vault or wallet or reserve for paying for access to the ppv (paid for view information) **noting** that the applicant in the specification (page 15, L 9-27), fig 2(132,172) **also** has a broker computer architecture; col 2, L 25-31, L 52-56, claim 1(L 27-35); fig 1(20,11),col 1, L 25-30, L 61-64(all refer to a buyer computer over the internet or network; refund account for buyer or "C"=consumer: fig 1(20,13); col 2, L 5-16, L 52-64; claim 7 f,g

B) receiving at the payment computer a plurality of requests from the buyer computer to purchase items, each of the plurality of requests being associated with a corresponding one of the items; / fig 1 (13, 20); col 2, L 1-16; where an item would be a pay for view program or a unit of pay per view information

C) Barber teaches accepting the plurality of requests to purchase items and debiting the vault to account for costs related to all of the items; / col 6, lines 19-21, lines 33-38.

Barber fails to explicitly teach the feature of debiting a vault.

Official notice is taken that this feature of debiting a vault or an asset reserve equivalent on the "books" of the broker is old and well known in the accounting art and / or retail art. It would have been obvious to one of ordinary skill in the art at the

Art Unit: 3624

time of applicant's invention to implement this feature for the advantage of maintaining proper accounting entries for subsequent audits.

D) receiving at the payment computer from the buyer computer a buyer selected request to refund the cost of at least one of the corresponding ones of the items; and / col 2, L 1-16; col 5, L 44-51; col 5, L 58-64

E) Barber teaches receipt of the request to refund,/ fig 1(20,13); col 6, L61-62.

However, Barber does not explicitly teach the payment computer accounting for the cost of the at least one of the corresponding ones of the items in the refund account and credits the vault with the cost of the at least one of the corresponding ones of the items thereby effectuating a refund to the buyer. Official notice is taken that this feature of the payment computer accounting for the cost of the at least one of the corresponding ones of the items in the refund account and credits the vault or a reserve asset account with the cost of the at least one of the corresponding ones of the items thereby effectuating a refund to the buyer is old and well known in the accounting art and / or retail art. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature of the payment computer accounting for the cost of the at least one of the corresponding ones of the items in the refund account and credits the vault with the cost of the at least one of the corresponding ones of the items thereby effectuating a refund to the buyer for the advantage of maintaining proper accounting entries according to generally accepted accounting principles for subsequent audits.

As per claim 3,

Barber does not explicitly teach that the buyer is compensated for buyer funds

Art Unit: 3624

remaining in the vault at the time the vault is rendered inactive. Official notice is taken that this feature of that the buyer is compensated for buyer funds is old and well known in the accounting art and / or retail art. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature of the advantage of maintaining proper accounting entries according to generally accepted accounting principles by closing inactive accounts and distributing any balances due for subsequent audits.

As per claim 4,

A method as recited in claim 3, further comprising keeping a transaction log of all of the buyer purchases and requests for refund./ fig 1 (10, 12abc, where the receipt server logs the transaction); col 1, L 26-31 where accounting entries based on a transaction log to account for purchases and requests for refunds must be made to accurately reflect the effect of all transactions); col 4, L 48-50 (transaction log as to "keep track" and "to track the sequence of interactions"); col 5, L 1-19 and col 6, L 63-67 where "summary of the details" and to "monitor" can entail the keeping of a transaction log or T accounts for entries of purchases and requests for refunds.

As per claim 5,

A method as recited in claim 4, further comprising the step of checking the transaction log to determine if the at least one of the corresponding ones of the items was previously purchased by the buyer and at times when the at least one of the corresponding ones of the items was not previously

Art Unit: 3624

purchased by the buyer inhibiting step E) from occurring. / fig 1(20,12abc,13); col 5, L 1-19 and col 6, L 63-67 where “summary of the details of a purchase” and “monitor” can entail the keeping of a transaction log or T accounts for entries of purchases; inhibiting refunds under step E is a possible result of “whether a refund is reasonable”(col 5, L 14)

As per claim 6,

A method as recited in claim 5, further comprising checking the transaction log to determine if the buyer selected request to refund the cost of the at least one of the corresponding ones of the items was previously made and at times when the buyer selected request to refund the cost of the at least one of the corresponding ones of the items was previously made inhibiting step E) from occurring. / fig 1(20,12abc,13); col 5, L 1-19 and col 6, L 63-67 where “monitor the pattern of refund-granting” can entail the keeping of a transaction log or T accounts for entries of requests for refunds; inhibiting refunds under step E is a possible result of “whether a refund is reasonable”(col 5, L 14)

As per claim 9,

A method as recited in claim 1, further comprising keeping a transaction log of all of the buyer purchases and requests to refund. / fig 1(20,12abc,13); col 5, L 1-19 and col 6, L 63-67 where “summary of the details of a purchase” and “monitor the pattern of refund-granting” can entail the keeping of a transaction log or T accounts for accounting entries of purchases and refunds; inhibiting refunds under step E is a possible result of “whether a refund is reasonable”(col 5, L 14)

As per claim 10,

Art Unit: 3624

A method as recited in claim 9, further comprising the step of checking the transaction log to determine if the at least one of the corresponding ones of the items was previously purchased by the buyer and at times when the at least one of the corresponding ones of the items was not previously purchased by the buyer inhibiting step E) from occurring. / fig 1(20,12abc,13); col 5, L 1-19 and col 6, L 63-67 where "summary of the details of a purchase" and "monitor" can entail the keeping of a transaction log or T accounts for entries of purchases; inhibiting refunds under step E is a possible result of "whether a refund is reasonable"(col 5, L 14)

As per claim 11,

A method as recited in claim 10, further comprising checking the transaction log to determine if the buyer selected request to refund the cost of the at least one of the corresponding ones of the items was previously made and at times when the buyer selected request to refund the cost of the at least one of the corresponding ones of the items was previously made inhibiting step E) from occurring. / fig 1(20,12abc,13); col 5, L 1-19 and col 6, L 63-67 where "monitor the pattern of refund-granting" can entail the keeping of a transaction log or T accounts for entries of requests for refunds; inhibiting refunds under step E is a possible result of "whether a refund is reasonable"(col 5, L 14)

As per claim 12,

A payment computer having a computer-readable medium including computer-executable instructions for performing the steps in the computer-implemented method of claim 1. / fig 2(132: payment broker server); col 1, L 26-30, L 55 to col 2, L 10; col 2, L 52-56

Art Unit: 3624

As per claim 13.(New)

A method for facilitating electronic refunds in an online commercial transaction, the method comprising the steps of:

A) receiving at a payment computer a plurality of requests from the buyer computer to purchase items, each of the plurality of requests being associated with a corresponding one of the items, the payment computer including a vault having buyer funds therein and a refund account for a buyer;/ col 1, L 25-34, L 65-68, and claim 1 are the network; col 2, L 1-8, fig 1(11, where B=broker) and claim 1(L 27-35) are the price tag server acting as the payment computer where the payment computer is part of broker system (col 1, L65-67) which has a vault equivalent(col 6, L 33-35: consumer has an account with the broker which "holds resources" and thus acts as a vault or wallet or reserve for paying for access to the ppv (paid for view information) **noting** that the applicant in the specification (page 15, L 9-27), fig 2(132,172) also has a broker computer architecture; col 2, L 25-31, L 52-56, claim 1(L 27-35); fig 1(20,11),col 1, L 25-30, L 61-64(all refer to a buyer computer over the internet or network); refund account for buyer "C"=consumer: fig 1(20,13); col 2, L 5-16, L 52-64; claim 7 f,g; fig 1 (13, 20); col 2, L 1-16; where an item would be a pay for view program or a unit of pay per view information

B) Barber teaches accepting the plurality of requests to purchase items and debiting the vault to account for costs related to all of the items; / col 6, lines 19-21, lines 33-38.

Barber fails to explicitly teach the feature of debiting a vault.

Official notice is taken that this feature of debiting a vault or an asset reserve equivalent on the "books" of the broker is old and well known in the accounting art

Art Unit: 3624

and / or retail art. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature for the advantage of maintaining proper accounting entries according to generally accepted accounting principles for subsequent audits.

C) receiving at the payment computer from the buyer computer a buyer selected request to refund the cost of at least one of the corresponding ones of the items; and/
col 2, L 1-16; col 5, L 44-51; col 5, L 58-64

D) Barber teaches receipt of the request to refund,/ fig 1(20,13); col 6, L61-62.

However, Barber does not explicitly teach the payment computer accounting for the cost of the at least one of the corresponding ones of the items in the refund account and credits the vault with the cost of the at least one of the corresponding ones of the items thereby effectuating a refund to the buyer. Official notice is taken that this feature of the payment computer accounting for the cost of the at least one of the corresponding ones of the items in the refund account and credits the vault or a reserve asset account with the cost of the at least one of the corresponding ones of the items thereby effectuating a refund to the buyer is old and well known in the accounting art and / or retail art. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature of the payment computer accounting for the cost of the at least one of the corresponding ones of the items in the refund account and credits the vault with the cost of the at least one of the corresponding ones of the items thereby effectuating a refund to the buyer for the advantage of maintaining proper accounting entries according to generally accepted accounting principles for subsequent audits.

Art Unit: 3624

As per claim 15.(New)

Barber does not explicitly teach that the buyer is compensated for buyer funds remaining in the vault at the time the vault is rendered inactive. Official notice is taken that this feature of that the buyer is compensated for buyer funds is old and well known in the accounting art and / or retail art. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature of the advantage of maintaining proper accounting entries by closing inactive accounts and distributing any balances due for according to generally accepted accounting principles subsequent audits.

As per claim 16.(New)

A method as recited in claim 3, further comprising keeping a transaction log of all of the buyer purchases and requests for refund./ fig 1 (10, 12abc, where the receipt server logs the transaction); col 1, L 26-31 where accounting entries based on a transaction log to account for purchases and requests for refunds must be made to accurately reflect the effect of all transactions); col 4, L 48-50 (transaction log as to "keep track" and "to track the sequence of interactions"); col 5, L 1-19 and col 6, L 63-67 where "summary of the details" and to "monitor" can entail the keeping of a transaction log or T accounts for entries of purchases and requests for refunds.

As per claim 17.(New)

A method as recited in claim 4, further comprising the step of checking the transaction log to determine if the at least one of the corresponding ones of the items was previously purchased by the buyer and at times when the at

Art Unit: 3624

least one of the corresponding ones of the items was not previously purchased by the buyer inhibiting step D) from occurring./ fig 1(20,12abc,13); col 5, L 1-19 and col 6, L 63-67 where "summary of the details of a purchase" and "monitor" can entail the keeping of a transaction log or T accounts for entries of purchases; inhibiting no refunds is a possible result of "whether a refund is reasonable"(col 5, L 14)

As per claim 18.(New)

A method as recited in claim 5, further comprising checking the transaction log to determine if the buyer selected request to refund the cost of the at least one of the corresponding ones of the items was previously made and at times when the buyer selected request to refund the cost of the at least one of the corresponding ones of the items was previously made inhibiting step D) from occurring./ fig 1(20,12abc,13); col 5, L 1-19 and col 6, L 63-67 where "monitor the pattern of refund-granting" can entail the keeping of a transaction log or T accounts for entries of requests for refunds; granting refunds under step D is a possible result of "whether a refund is reasonable"(col 5, L 14)

As per claim 21. (New)

A method as recited in claim 1, further comprising keeping a transaction log of all of the buyer purchases and requests to refund./ fig 1(20,12abc,13); col 5, L 1-19 and col 6, L

Art Unit: 3624

63-67 where "summary of the details of a purchase" and "monitor the pattern of refund-granting" can entail the keeping of a transaction log or T accounts for entries of purchases and refunds; inhibiting refunds under step E is a possible result of "whether a refund is reasonable"(col 5, L 14)

As per claim 22.(New)

A method as recited in claim 9, further comprising the step of checking the transaction log to determine if the at least one of the corresponding ones of the items was previously purchased by the buyer and at times when the at least one of the corresponding ones of the items was not previously purchased by the buyer inhibiting step D) from occurring./ fig 1(20,12abc,13); col 5, L 1-19 and col 6, L 63-67 where "summary of the details of a purchase" and "monitor" can entail the keeping of a transaction log or T accounts for entries of purchases; inhibiting step D is a possible result of "whether a refund is reasonable"(col 5, L 14)

As per claim 23.(New)

A method as recited in claim 10, further comprising checking the transaction log to determine if the buyer selected request to refund the cost of the at least one of the corresponding ones of the items was previously made and at times when the buyer selected request to refund the cost of the at least one of the corresponding ones of the items was previously made inhibiting step D) from occurring./ fig 1(20,12abc,13); col 5, L 1-19 and col 6, L 63-67 where "monitor the pattern of refund-granting" can entail the keeping of a transaction log or T accounts for entries of requests for refunds; inhibiting r step D is a possible result of "whether a refund is reasonable"(col 5, L 14)

Art Unit: 3624

As per claim 24. (New)

A payment computer having a computer-readable medium including computer-executable instructions for performing the steps in the computer-implemented method of claim 1./ refer to reasoning under claim 1

6. Claims 2, 7, 8, 14,19 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Barber (US 6,349,288) and in view of Rose et al (US 5,757,917).

As per claim 2,

-Barber teaches the steps of processing additional buyer selected requests to refund the costs of other ones of the corresponding ones of the items/ fig 1 (10,12abc,13); col 2, L 5-16; col 6, L 45-51, 61-62. However, Barber does not explicitly teach the accounting for the costs of the other ones of the corresponding ones of the items in the refund account. Official notice is taken that this feature of the accounting for the costs of the other ones of the corresponding ones of the items in the refund account is old and well known in the accounting art and / or retail art. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature of the accounting for the costs of the other ones of the corresponding ones of the items in the refund account for the advantage of maintaining proper accounting entries according to generally accepted accounting principles for subsequent audits.

-Barber teaches times when a total cost of all requests to refund that are accounted for in the refund account in a vault/ fig 1 (10,13); col 4, L 48-57, col 5, L 14-18:"monitor the pattern of refund-granting" implies the accounting that must "go along" with the transaction. However, Barber does not explicitly teach the exceeding of a threshold

Art Unit: 3624

value, rendering the vault inactive. Rose teaches exceeding a threshold value level/col 9, L 2-22(vault: "cardholder account"; exceeding:"more than a certain number"; inactive: "suspended"). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature of the exceeding of a threshold value, rendering the vault inactive for the advantage of maintaining proper accounting entries by closing accounts for subsequent audits and preventing fraud due to excessive refunds. In an analogous fashion, bad debts or refunds on the "books" lasting 90 days as a threshold value for example, would be respectively written off for bad debts or refunds returned (or added to miscellaneous income or offset against accounts payable) and the account would then be inactive.

As per claim 7,

Barber teaches a method as recited in claim 6, further comprising keeping at the payment computer a count of the number of additional requests to refund the costs of other ones of the corresponding ones of the items and inhibiting step E) from occurring./ fig 1(20,12abc,13); col 5, L 1-19 and col 6, L 63-67 where "monitor the pattern of refund-granting" can entail the keeping of a transaction log or T accounts for entries of requests for refunds; inhibiting refunds under step E is a possible result of "whether a refund is reasonable"(col 5, L 14).

However, Barber does not explicitly teach exceeding a threshold number. Rose teaches exceeding a threshold value level/col 9, L 2-22(exceeding:"more than a certain number"). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature of the exceeding of a threshold value,

Art Unit: 3624

rendering the vault inactive for the advantage of maintaining proper accounting entries by closing accounts for subsequent audits and preventing fraud due to excessive refunds. In an analogous fashion, bad debts or refunds on the "books" lasting 90 days as a threshold value for example, would be respectively written off for bad debts or refunds returned (or added to miscellaneous income or offset against accounts payable) and the account would then be inactive.

As per claim 8,

Barber teaches a method as recited in claim 7, further comprising at times when all costs accounted for in the refund account / fig 1(20,12abc,13); col 5, L 1-19 and col 6, L 63-67 where "monitor the pattern of refund-granting" can entail the keeping of a transaction log or T accounts for entries of requests for refunds; inhibiting refunds under step E is a possible result of "whether a refund is reasonable"(col 5, L 14). However, Barber does not explicitly teach not to exceed the threshold value over a predetermined period of time, resetting the refund account to an initial value. Rose teaches not to exceed the threshold value over a predetermined period of time, resetting the refund account to an initial value. / col 9, L 2-22: reset initial value: "upon reinstatement....'active' state" can contain the reset initial value; predetermined period of time: "certain period of time". It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature of the exceeding of a threshold value, rendering the vault inactive for the advantage of maintaining proper accounting entries by closing accounts for subsequent audits and preventing fraud due to excessive refunds. In an analogous fashion, bad debts or refunds on the "books"

Art Unit: 3624

lasting 90 days as a threshold value for example, would be respectively written off for bad debts or refunds returned (or added to miscellaneous income or offset against accounts payable) and the account would then be inactive.

As per claim 14. (New)

Barber teaches the steps of processing additional buyer selected requests to refund the costs of other ones of the corresponding ones of the items/ fig 1 (10,12abc,13); col 2, L 5-16; col 6, L 45-51, 61-62. However, Barber does not explicitly teach the accounting for the costs of the other ones of the corresponding ones of the items in the refund account thereby maintaining in the refund account data indicative of a total cost associated with all requests to refund. Official notice is taken that this feature of the accounting for the costs of the other ones of the corresponding ones of the items in the refund account thereby maintaining in the refund account data indicative of a total cost associated with all requests to refund is old and well known in the accounting art and / or retail art a maintaining a running balance or total in an account. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature of the accounting for the costs of the other ones of the corresponding ones of the items in the refund account thereby maintaining in the refund account data indicative of a total cost associated with all requests to refund for the advantage of maintaining proper accounting entries according to generally accepted accounting principles for subsequent audits.

- Barber teaches times when a total cost of all requests to refund that are accounted for

Art Unit: 3624

in the refund account / col 4, L 48-57, col 5, L 14-18: "monitor the pattern of refund-granting" implies the accounting that must go along with the transaction. However, Barber does not explicitly teach the exceeding of a threshold value, rendering the vault inactive. Rose teaches exceeding of a threshold value, rendering the vault inactive. / col 9, L 2-22 (vault: "cardholder account"; exceeding: "more than a certain number"). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature of the exceeding of a threshold value, rendering the vault inactive for the advantage of maintaining proper accounting entries by closing accounts for subsequent audits and preventing fraud due to excessive refunds. In an analogous fashion, bad debts or refunds on the "books" lasting 90 days as a threshold value for example, would be respectively written off for bad debts or refunds returned (or added to miscellaneous income or offset against accounts payable) and the account would then be inactive.

As per claim 19. (New)

Barber teaches a method as recited in claim 6, further comprising keeping at the payment computer a count of the number of additional requests to refund the costs of other ones of the corresponding ones of the items and inhibiting step D) from occurring / fig 1(20,12abc,13); col 5, L 1-19 and col 6, L 63-67 where "monitor the pattern of refund-granting" can entail the keeping of a transaction log or T accounts for entries of requests for refunds; inhibiting refunds under step E is a possible result of "whether a refund is reasonable" (col 5, L 14). However, Barber does not teach exceeding a threshold number. Rose teaches exceeding a threshold number / col 9, L 2-

Art Unit: 3624

22(exceeding:"more than a certain number"). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature of the exceeding of a threshold value for the advantage of maintaining proper accounting entries by closing accounts for subsequent audits and preventing fraud due to excessive refunds. In an analogous fashion, bad debts or refunds on the "books" lasting 90 days as a threshold value for example, would be respectively written off for bad debts or refunds returned (or added to miscellaneous income or offset against accounts payable) and the account would then be inactive.

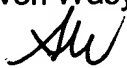
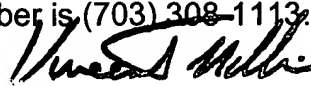
As per claim 20.(New)

A method as recited in claim 7, further comprising at times when all costs accounted for in the refund account do not exceed the threshold value over a predetermined period of time, resetting the refund account to an initial value./ refer to reasoning under claim 8

This action is **FINAL**. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Steven R. Wasylchak whose telephone number is (703) 308-2848. The examiner can normally be reached on Monday-Thurs from 7:00 a.m. to 7:00 p.m. EST. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin, can be reached at (703) 308-1065. The fax number for Art Unit 3624 is (703) 308-1113. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

Steven Wasylchak

4/25/04



VINCENT MILLIN
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3800